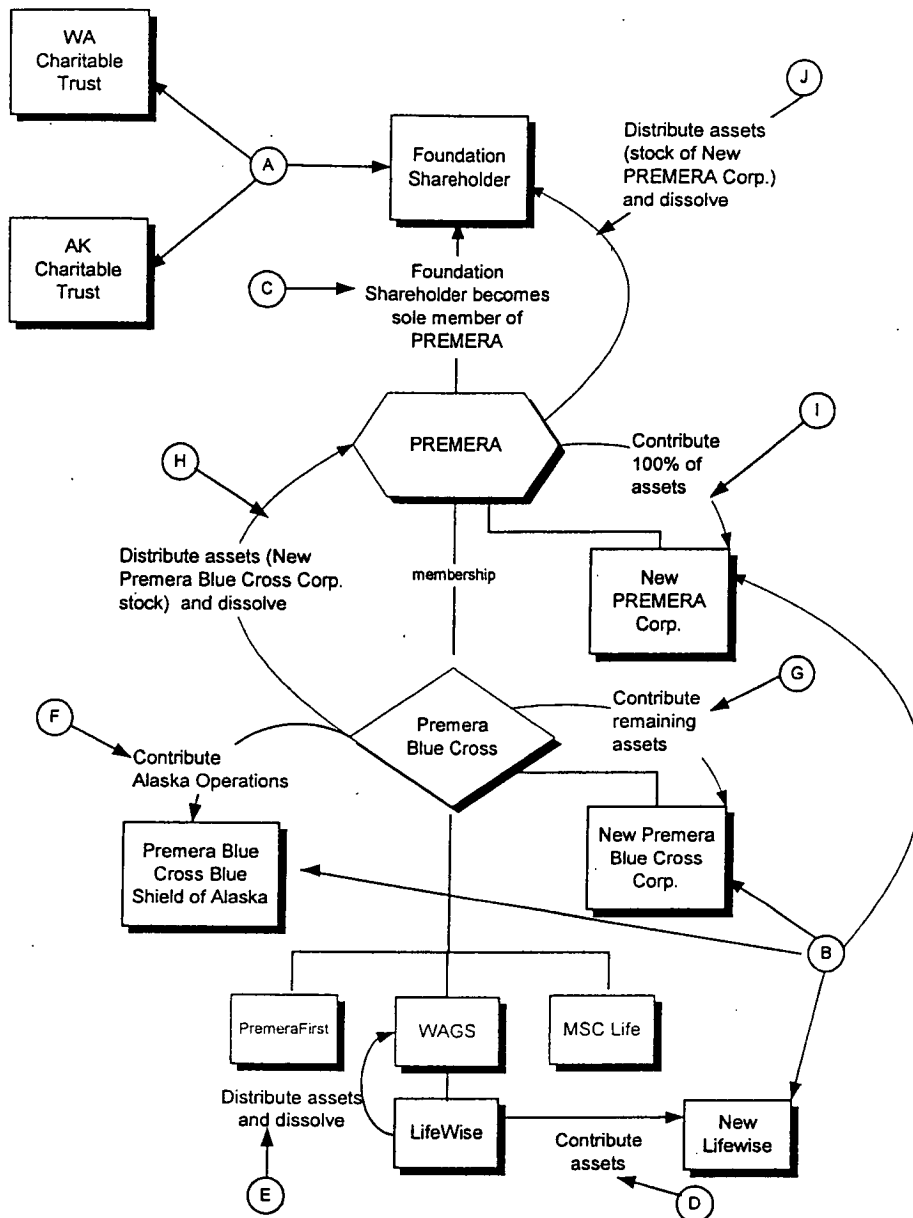


PREMERA Conversion Transaction



Step A: Form (1) Foundation Shareholder (501(c)(4) WA nonprofit corporation) to hold stock until divestiture; (2) WA Charitable Trust (501(c)(3) WA nonprofit corporation) and AK Charitable Trust (501(c)(3) AK nonprofit corporation) to receive proceeds of Foundation Shareholder's stock sales.	Step F: Premera Blue Cross transfers Alaska operations to Premera Blue Cross Blue Shield of Alaska for its stock (creating a subsidiary of Premera Blue Cross).
Step B: Form (1) New LifeWise Health Plan of Washington (WA corporation); (2) Premera Blue Cross Blue Shield of Alaska (AK corporation); (3) New Premera Blue Cross Corp. (WA corporation); (4) New PREMERA Corp. (WA corporation).	Step G: Premera Blue Cross contributes its remaining assets and liabilities (including all Washington contracts and stock of all its subsidiaries) to New Premera Blue Cross Corp. in exchange for its stock.
Step C: Amend PREMERA's Articles of Incorporation to provide, among other things, that Foundation Shareholder is the sole voting member of PREMERA.	Step H: Premera Blue Cross distributes 100% of its assets (the New Premera Blue Cross Corp. stock) to PREMERA and dissolves.
Step D: LifeWise Health Plan of Washington contributes its assets and liabilities to New LifeWise Health Plan of Washington in exchange for its stock.	Step I: PREMERA contributes 100% of its assets and liabilities to New PREMERA Corp. for its stock.
Step E: LifeWise Health Plan of Washington distributes 100% of its assets (the stock of New LifeWise Health Plan of Washington) to Washington-Alaska Group Services, Inc. and dissolves.	Step J: PREMERA distributes 100% of its assets (the stock of New PREMERA Corp.) to Foundation Shareholder and dissolves.